UNITED
NATIONS

A E

General Assembly
Economic and Social Council

Distr.
GENERAL

A/51/171
E/1996/75
21 June 1996

ORIGINAL: ENGLISH

GENERAL ASSEMBLY
Fifty-first session
Item 21 (e) of the preliminary list*
STRENGTHENING OF THE COORDINATION OF HUMANITARIAN AND DISASTER RELIEF ASSISTANCE OF THE UNITED NATIONS, INCLUDING SPECIAL ECONOMIC ASSISTANCE: ASSISTANCE TO THE PALESTINIAN PEOPLE

ECONOMIC AND SOCIAL COUNCIL
Substantive session of 1996
Item 5 (c) of the provisional agenda**
SOCIAL, HUMANITARIAN AND HUMAN RIGHTS QUESTIONS: IMPLEMENTATION OF THE DECLARATION ON THE GRANTING OF INDEPENDENCE TO COLONIAL COUNTRIES AND PEOPLES BY THE SPECIALIZED AGENCIES AND THE INTERNATIONAL INSTITUTIONS ASSOCIATED WITH THE UNITED NATIONS

Assistance to the Palestinian people

Report of the Secretary-General

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I. INTRODUCTION

1. On 20 December 1995, the General Assembly adopted resolution 50/58 H entitled "Assistance to the Palestinian people", in which it, inter alia, stressed the importance of the appointment of the Special Coordinator in the Occupied Territories and of the steps taken under the auspices of the Secretary-General to ensure the achievement of a coordinated mechanism for United Nations activities throughout the occupied territories; urged Member States and agencies of the United Nations system to extend, as rapidly and as generously as possible, economic and social assistance to the Palestinian people to assist in the development of the West Bank and Gaza Strip, with emphasis on national execution and capacity-building and to do so in close cooperation with the Palestine Liberation Organization and through official Palestinian institutions; called upon the international donor community to expedite the delivery of pledged assistance to the Palestinian people to meet their urgent needs; and requested the Secretary-General to submit a report to the Assembly on the implementation of the resolution, containing: (a) an assessment of the assistance actually received by the Palestinian people; and (b) an assessment of the needs still unmet and specific proposals for responding effectively to them.

2. Terje Rød-Larsen continued his functions as United Nations Special Coordinator in the Occupied Territories as outlined in the previous report on assistance to the Palestinian people (A/50/286-E/1995/113). The present report covers the period from June 1995 through May 1996.

3. Throughout the period under review, the Special Coordinator focused his efforts on:

(a) Supporting ongoing and proposed activities of the over 20 United Nations agencies and programmes operational or seeking to become operational in the West Bank and Gaza Strip within the framework of the integrated and targeted programme adopted at the June 1995 United Nations inter-agency meeting convened by the Special Coordinator in Gaza;

(b) Strengthening the coordination structures on the ground linking the Palestinian Authority, the Government of Israel, the international donor community, and the International Monetary Fund, the World Bank and the United Nations, as well as the role of the United Nations within those structures;

(c) Working with all parties in the development effort, and in particular the Palestinian Authority and the Government of Israel, to help maintain its momentum, especially during periods of crisis.

4. Following the June 1995 inter-agency meeting, sectoral strategies covering education, health, employment generation, infrastructure and housing, institution-building and the private sector were finalized. They articulated a coordinated, integrated and targeted approach to the main developmental priorities in the West Bank and Gaza Strip as identified by the Palestinian Authority. Each of the six strategies included proposals from United Nations agencies and programmes for specific technical and project assistance for implementation beginning in late 1995 and 1996. The total package of proposals

amounted to projects worth approximately $550 million. The proposed programme of assistance contained in the United Nations strategy papers was developed in coordination with the relevant sectoral ministries of the Palestinian Authority, as well as with the Palestinian Authority Ministry for Planning and International Cooperation. In addition, representatives from the Palestinian Authority, donor countries and the World Bank participated in the United Nations inter-agency meeting at which the strategy papers had been reviewed in draft form.

5. The United Nations proposed programme of assistance for 1996 was formally presented to the donor community by the Special Coordinator at the ministerial-level meeting of the Ad Hoc Liaison Committee, the main donor-led body overseeing the assistance effort, held on 28 September 1995. The meeting was convened on the occasion of the signing of the Interim Agreement on the West Bank and the Gaza Strip in Washington, D.C. At the meeting, the Ad Hoc Liaison Committee stressed the imperative to respond quickly to the major achievement in the political arena represented by the Interim Agreement by intensifying efforts in the economic arena. It was decided to hold a ministerial conference of donor countries as soon as possible, and that this conference would be preceded by a World Bank-led Consultative Group meeting to be convened on 18 and 19 October 1995 in Paris.

6. Continuing the close cooperation of the past year, the United Nations and the World Bank jointly prepared a policy document for consideration by donors at the October 1996 Consultative Group meeting. Entitled "Putting peace to work: priorities and strategies for the second phase of the development effort in the West Bank and Gaza Strip", the document was prepared in close coordination with the Palestinian Authority, in consultation with the Government of Israel and following discussions with key donors. For its part, the Palestinian Authority established a "core list" of technical and infrastructural assistance projects, drawing from proposed United Nations, World Bank and bilateral activities. The core list required approximately $550 million in donor funds, of which 27 projects valued at approximately $100 million were for implementation by agencies and programmes of the United Nations. The main elements of the joint United Nations/World Bank policy document were discussed during the Consultative Group meeting and were widely reflected in the Chair's summary.

7. The Ministerial Conference on Economic Assistance to the Palestinian People was held on 9 January 1996 in Paris. Conference participants emphasized, inter alia, the importance of improving the economic and social conditions of the Palestinian people through a comprehensive effort to create jobs, improve physical and social infrastructure and establish the basis for sustainable economic growth in the West Bank and Gaza Strip. In this connection, the Palestinian Authority's "core list" of development activities for 1996, as well as other activities proposed by the Palestinian Authority, the World Bank and the United Nations were considered by donors. At the Conference itself and over the following weeks, approximately $805 million was pledged by donors for investment projects and an additional $72.5 million was pledged towards the 1996 Palestinian Authority recurrent budget deficit projected at $75 million.

8. According to information provided by United Nations organizations to the Office of the Special Coordinator, agencies and programmes of the Organization

received approximately $105 million in donor funding between July 1995 and June 1996 for technical and infrastructural project assistance for the benefit of the Palestinian Authority and the Palestinian people in the West Bank and Gaza Strip. Of the United Nations projects contained in the Palestinian Authority core list, 19 received approximately $59 million in donor funding. These figures do not include funding for the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) regular programmes of education, health and relief and social services, which would amount to approximately $150 million for the West Bank and Gaza Strip in 1996; nor do they reflect the decision of the United Nations Development Programme (UNDP) to double the funding from its own "core resources" for the period 1996-1998, to a minimum of $8 million. By mid-1996, many donors had yet to commit their 1996 pledges to specific projects. It was therefore anticipated that further funding would be received by United Nations organizations during the second half of the year.

9. The development effort suffered a severe setback beginning on 25 February 1996 when a series of suicide terrorist attacks, which killed nearly 60 persons, prompted the Government of Israel to implement a series of countermeasures, including the closure of the occupied territories. The closure order prevented the movement of persons and goods into or out of the West Bank and the Gaza Strip. For the Palestinian economy and for the fiscal position of the Palestinian Authority, the closure had devastating consequences. Domestic unemployment rose sharply as businesses were unable to maintain their access to external markets either for the purpose of importing or for exporting. In addition, the estimated 70,000 Palestinians who had worked in Israel during February 1996 were unable to enter Israel owing to the closure order. The decline in economic activity in the territories and of employment in Israel led to a sharp reduction in Palestinian Authority revenues. By mid-April 1996, with the closure still in place, the 1996 recurrent budget deficit was estimated to have increased by some $100 million above the $75 million projected in late 1995.

10. In response to the closure of the territories, the Special Coordinator proposed a framework for a plan aimed at an easing of the closure and the establishment of a donor-funded emergency employment creation programme. The United States announced on 28 March 1996 that the Palestinian Authority, the Government of Israel and the Government of Norway, representing the donor community, had agreed to the framework that had been put forward by the United Nations. Over the following weeks, steady increases were recorded in the movement of goods into and out of the West Bank and Gaza Strip. The overall volume of trade, however, remained below the pre-closure level. The number of Palestinian workers employed in Israel was approximately 10,000 at the end of May 1996.

11. The United Nations responded rapidly to the call of the Palestinian Authority for assistance in creating employment opportunities. With special earmarked contributions from several donor countries, both UNRWA and UNDP began implementation of projects in mid-March that were expected to provide up to 5,000 employment opportunities during 1996. The UNDP projects were implemented jointly with the Palestinian Economic Council for Development and Reconstruction (PECDAR).

12. From 15 to 17 April 1996, the Special Coordinator convened the third United Nations inter-agency meeting in Gaza. The main purpose of the meeting, which was attended by over 20 agencies and programmes of the Organization, was to establish priorities for the United Nations programmes of assistance during 1997. These priorities, accompanied by project proposals for addressing unmet needs, will be presented in the form of six documents covering education, health, employment generation, infrastructure and housing, institution-building and the private sector. United Nations organizations developed their proposed 1997 programmes in response to needs and priorities identified by the Palestinian Authority, whose sectoral ministries participated in the inter-agency meeting. Donors and World Bank officials also participated in the sectoral workshops of the meeting. The United Nations documents will be presented to donors at the next World Bank-led Consultative Group meeting, which is expected to take place during the second half of 1996.

II. ASSISTANCE TO THE PALESTINIAN PEOPLE: ONGOING PROGRAMMES, UNMET NEEDS AND PROPOSALS FOR ADDITIONAL ASSISTANCE

A. United Nations assistance in education

1. Background

13. Education is the largest service sector run by the Palestinian Authority and caters to the social, educational and employment needs of more than 35 per cent of the population. The number of people employed or enrolled in the various educational institutions in the West Bank and Gaza, is estimated by the Ministry of Education and Higher Education to be 719,233. The Ministry was established in August 1994 and employs more than 22,000 people. The total estimated cost of the educational system is $180 million annually (excluding higher education). In total, $130 million is needed for salaries and $50 million for administration, including $5 million for textbooks.

14. In 1994/95, there were more than 1,474 schools in the West Bank and Gaza: 1,084 Palestinian Authority schools, 259 schools run by UNRWA and 131 private schools. There are 21 community colleges, of which 4 are run by UNRWA, and 8 universities. Pre-school education is sustained by the private sector and by non-governmental organizations, supported by the Ministry of Social Affairs. The Ministry of Education and Higher Education does not provide financial support for non-formal education, but plans to supervise the quality of teachers and literacy programmes and support literacy centres and continuing education units.

15. In spite of the many problems facing the sector, the Ministry of Education and Higher Education made few administrative and educational changes during its first year of operation, in order to avoid unnecessary disruption. Steps were taken to unify the West Bank and Gaza Strip educational systems into a uniform curriculum. A major achievement was the organizing of the secondary school matriculation exam. Other achievements of the Ministry during its first year of operation, included constructing and rehabilitating schools, setting up the Palestinian Curriculum Development Centre, printing textbooks for the 1995/96 school year, and introducing English into the fifth and sixth grades in the Gaza

Strip. The Ministry declared 1996 to be the "Year for Quality of Education", with the aim of raising teachers' standards.

2. Assistance provided

16. Within the United Nations system, UNRWA, UNDP, the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the United Nations Children's Fund (UNICEF) have played an important role in assisting the education sector. Other United Nations agencies provide technical and financial assistance for training and rehabilitation.

17. UNDP has focused on improving infrastructural facilities through the construction and renovation of schools and classrooms and on increasing access for girls to educational opportunities. Based on the priorities of the Ministry of Education, UNDP launched several infrastructural projects in 1995 and 1996, including the rehabilitation of a school and cultural complex in the city of Jericho, 18 schools in rural West Bank communities and the premises of the Ministry of Education in Ramallah. Support was also provided for renovation works in 19 educational facilities in the Gaza Strip. Three youth centres were renovated and sports facilities provided in Jericho, Gaza and Rafah under an umbrella project jointly implemented by UNDP, UNICEF and UNRWA. In February 1996, UNDP launched a project aimed at defining the extent of the school dropout phenomenon and its geographical and gender distribution. The study will make policy recommendations to the Ministry of Education and will introduce remedial programmes, especially for female dropouts. UNDP has also provided support for in-service training and curriculum development in agricultural training schools.

18. UNESCO has a long tradition of involvement in Palestinian education, through support for the education programme of the Palestine Liberation Organization and for the UNESCO/UNRWA Department of Education. In 1994, UNESCO launched a comprehensive Culture of Peace Programme to give greater emphasis to countries and territories in conflict. Within this context, UNESCO carried out two missions to review the Palestinian education sector in 1994. The missions identified and extended assistance to 11 priority areas. Those for which funds were mobilized and projects initiated included capacity-building of the Ministry of Education; establishment of the Palestinian Curriculum Centre; rehabilitation of 14 schools in the Gaza Strip and 3 schools in the West Bank; the establishment of a model kindergarten in Gaza City; financing of an international workshop for the development of the vocational/technical education system; a project for capacity-building in educational policy formulation and management; and a proposal to establish, through the Palestinian European Academic Cooperation in Education (PEACE) programme network, UNESCO Chairs in Archaeology, Foreign Language Teaching and Marine Sciences.

19. The objectives and strategies of the UNICEF education programme are based on the Convention on the Rights of the Child, the goals of the World Summit for Children and the National Programme of Action, which advocate the right of all children to basic education. To meet these objectives, UNICEF's Education Programme is implemented through three main projects focusing on formal and non-formal education: early childhood development/psychosocial health; primary

education; and youth and community development. Under the last category, in 1995, 110 community-based camps for children and youth were organized and 700 youth leaders trained in planning educational, recreational, art and environmental activities for children.

20. Since 1950, UNRWA has been the single largest provider of education in the Gaza Strip and a major provider in the West Bank. The overall objective of the UNRWA education programme is to continue to provide general education, in-service teachers' education, vocational, technical and higher education, and university scholarships for refugees. The UNRWA regular educational budget for 1995 was $41.6 million for Gaza and $24.9 million for the West Bank. Following the signing of the Declaration of Principles on Interim Self-Government Arrangements in September 1993, UNRWA established its Peace Implementation Programme (PIP). The programme targeted basic infrastructural projects in education, health and the social sector. Under PIP, UNRWA received $51.7 million in donor funding for education-related projects and concentrated its efforts on upgrading its facilities.

21. UNRWA has completed the construction of 25 new schools in the Gaza Strip and is in the process of constructing 7 new schools in the West Bank. Over 100 UNRWA and Palestinian Authority schools were upgraded, and funding has been allocated for the construction of over 75 new classrooms and specialized rooms. UNRWA ensures that all its activities are closely coordinated with the Ministry of Education and has undertaken the construction of over 55 playgrounds in its own facilities and Palestinian Authority schools. The UNRWA University Scholarship Schemes benefit students who receive high marks in their secondary school examinations, and UNRWA has initiated a pilot project to train music teachers in its schools in the West Bank. Other projects include construction activities at the Gaza Training Centre and a number of projects to upgrade and extend the Kalandia and Ramallah vocational training centres in the West Bank.

22. The International Labour Organization (ILO) fielded several technical missions to examine the needs of the vocational training sector, with particular reference to workers' education programmes and training activities for Ministry of Labour officials. ILO, through the International Training Centre in Turin, is also assisting the Ministry of Education in a programme for the development of technical colleges.

23. In the area of education, the World Food Programme (WFP) supports vocational training by providing meals to women and youth trainees. In 1996, WFP is assisting nine social institutions by providing daily food rations to 850 youths. Additional assistance is being provided to 100 trainees at two rehabilitation centres for the mentally and physically disabled. Such food assistance provides indirect income support and encourages regular attendance.

3. Main development needs

24. The task of restructuring and developing the educational system inherited by the Palestinian Authority is enormous. The infrastructure had deteriorated and facilities had failed to keep pace with population growth, leading to double and sometimes triple shifting in most schools. The curriculum differed between

the West Bank and Gaza Strip, and vocational training and extracurricular activities were inadequate. Academic standards were particularly affected as a result of the severe interruptions during the years of the intifadah and Israeli countermeasures. Following the transfer of responsibility for education to the Palestinian Authority in 1994, new challenges arose from the continued rapid increase in the school population and the need to accommodate the children of returnees. Statistics indicate that 40 new schools are needed annually to accommodate the growth rate.

25. In its second year of operation, the Ministry of Education believes that it can expand its efforts to effect quality changes in the educational system. In order to meet the challenges of the twenty-first century, the Ministry has stressed the importance of United Nations agencies and the donor community integrating the following objectives into their policies: improving access to schooling; improving the quality of teaching and learning; and increasing the relevance of education to society's needs.

26. To achieve these global objectives, a National Plan of Action has been prepared by the Ministry of Education, and a number of priorities have been defined as requiring urgent attention and financial and technical assistance. To accommodate the increase in student numbers, a detailed proposal for funding has been prepared at an estimated cost of $230 million, covering both school construction and maintenance, but excluding UNRWA schools and the private sector. School equipment and supplies will come to an estimated $5 million over the next two years. To encourage management decentralization, community participation in decision-making and a merit-based recruitment system, the Ministry is in the process of setting up a policy formulation unit supported by UNDP, UNESCO and the World Bank.

27. To prepare for a unified curriculum, additions to the present Jordanian and Egyptian curricula, followed in the West Bank and Gaza Strip respectively, have been introduced in areas such as Arabic, history and civic education, to overcome the lack of Palestinian specificity. A Curriculum Development Centre was established with the assistance of UNESCO, but it is estimated that the Centre will need five years to produce a new generation of textbooks, at a cost of about $5 million. Pre-service and in-service teacher training will be undertaken to prepare teachers for the new curriculum.

28. New technical colleges are required and schools need to be rehabilitated and upgraded with modern equipment and laboratories. The development of an Educational Management of Information System (EMIS) is a prerequisite for medium- and long-term planning and policy formulation, and is being established with the assistance of UNICEF. The imbalance between enrolment in universities and technical and community colleges needs to be addressed and the linkage between higher education and economic and social needs should be strengthened.

29. The social, emotional and cognitive development needs of young children need to be accorded greater resources and addressed more systematically. Only an estimated 20 to 30 per cent of children aged 3 to 5 attend kindergarten, and unified standards of supervision are lacking. In non-formal education, priority areas for action identified by the Ministry of Youth and Sports aim at

supporting training programmes to develop young people's life skills and promote their involvement in community development.

4. Integrated United Nations approach

30. The peace process has expanded the possibilities for closer cooperation between the United Nations and the Palestinian Authority in the development and delivery of educational services. Major achievements so far have been the promotion of qualitative educational development and building institutional capacity in the Ministry of Education. However, in an effort to move away from emergency interventions towards long-term institution-building, all Palestinian Authority bodies concerned with educational development are in need of further United Nations assistance. Although the peace process is expected to improve economic development in the area, current sources of revenue to finance basic services are still insufficient. Since education accounts for the greatest share of the Palestinian Authority budget, it is particularly vulnerable to financial shortfalls.

31. The overall challenge for the United Nations is to shape a coherent programme, a set of complementary interventions, leading to the improvement and growth of the educational system. Defining complementary roles among United Nations organizations is a priority, so as to ensure that the Palestinian Authority receives the maximum external assistance. Pilot projects undertaken with the support of United Nations bodies and non-governmental organizations should be evaluated so that achievements can be applied on a larger scale and on a long-term sustainable basis. United Nations agencies should coordinate among ministries, non-governmental organizations and academic institutions to ensure maximum intersectoral cooperation. Above all, the United Nations programme should be integrated within the framework of the five-year master plan for education, currently being prepared by the Ministry of Education.

32. Through participation in the Local Aid Coordination Committee sectoral working group on education, UNDP will continue to act upon the priorities set by the Ministry of Education. The ongoing project for rehabilitating 18 schools in rural areas of the West Bank will be considerably expanded to include the construction or renovation of additional classrooms, especially targeting the female rural population.

33. Other UNDP educational initiatives are based on its overall Gender in Development Programme, where a two-fold approach has been developed: (a) upstream interventions aimed at enhancing advocacy through a series of policy-level initiatives in support of governmental bodies; (b) downstream interventions to tackle the constraints facing women through initiatives focusing on poverty elimination. A UNDP/United Nations Volunteers (UNV) project aimed at reintegrating youth into civil society focuses on strengthening community-based youth clubs, developing a plan for the institution of a youth council and conducting an assessment of the hopes, skills and needs of young people. UNDP is also developing a programme of intervention in the agricultural education sector to be implemented in 1997.

34. UNESCO will continue to cooperate with the Palestinian Authority in improving educational management, through its regular programme, which provides access to a wide variety of services. UNESCO will support an improved programme in science and mathematics teaching and the creation of a curriculum that is relevant to the specific history, needs and aspirations of the Palestinian people. UNESCO also supports a programme of remedial education for underachieving pupils and for young people who have left the school system without realizing their full potential.

35. UNICEF has been in the forefront of promoting the "software" side of development, emphasizing its human and social dimensions and highlighting its global strategy "First Call for Children", under the local theme "Putting our Children First", and through the joint Palestinian Authority/UNICEF National Programme of Action. The educational component of the Programme embraces early childhood development, primary education and youth and community development.

36. UNRWA requires an annual budget of $65 million to cover its general education programme in the West Bank and Gaza Strip and to ensure access to basic education for all eligible refugee children. UNRWA will promote community involvement in financing education and, where possible, in formulating education policies and priorities. Upgrading of staff skills at all levels remains an important goal, and UNRWA will seek to increase the present two-year teacher training programme to four years. The teaching programme in UNRWA vocational and technical centres will be strengthened.

37. Harmonization between the UNRWA Education Department and the Ministry of Education is taking place at all levels. Specific activities include accreditation of the UNRWA Education Sciences Facility, the introduction of uniform examinations for community colleges and the joint revision of a study plan for vocational training. UNRWA is also cooperating with the Ministry of Education in developing new curricula and textbooks.

38. ILO will continue to assist the Palestinian Authority in developing and strengthening technical training institutions. In particular, ILO will expand vocational education and training projects within the framework of its ongoing activities, such as the programme for the reintegration of ex-detainees, and capacity-building projects for the Ministry of Labour and workers and employers organizations. ILO has also been requested to identify needs and priorities concerning the development of three technical colleges.

39. In 1997, WFP will identify potential partners among non-governmental organizations focusing on women's activities in education. WFP is also considering food assistance as a support for youth summer camps, in collaboration with UNICEF.

B. United Nations assistance in employment generation

1. Background

40. High unemployment and underemployment levels in the West Bank and the Gaza Strip constitute an immediate social and economic challenge to the development

efforts of the Palestinian Authority. Large-scale unemployment and underemployment cause severe damage to Palestinian society and threaten political stability. There are an estimated 20,000 new job seekers each year in the West Bank and Gaza Strip. With one of the world's highest labour force growth rates (nearly 4 per cent), and with nearly half the population under 15 years of age, the Palestinian economy is unable to absorb many of those presently unemployed and is unlikely to accommodate the expected increase in the number of job-seekers in the years ahead. In addition, many of those denied access to the Israeli labour market cannot find work at home. The dependent nature of the Palestinian economy has also limited employment creation and growth. The industrial sector is relatively small (contributing less than 8 per cent of gross domestic product) and most industrial and service sector activities are in the small-scale production and wholesale/retail trades. Major sources of employment are the agriculture and construction sectors. Given continuing economic unpredictability and the lack of an adequate basic infrastructure, large-scale domestic and foreign investment has not been forthcoming.

41. In the first labour force survey conducted by the Palestinian Central Bureau of Statistics in October 1995 with the assistance of ILO, the rate of open unemployment was revealed as 13 per cent in the West Bank and 31 per cent in the Gaza Strip, with an additional 20 per cent registered as underemployed in the two areas. Owing to border closures, Palestinian employment in Israel has fluctuated considerably, decreasing from a daily average of 116,000 in 1992 to 53,000 in 1994 and 29,500 in 1995. The figures had increased to approximately 70,000 in the first two months of 1996, prior to the wave of suicide attacks beginning in late February. The subsequent closure effectively drastically reduced Palestinian employment in Israel: following the gradual easing of the closure, figures had returned to approximately 10,000 by the end of May 1996. At the end of 1995, the Palestinian Authority, with the assistance of the International Monetary Fund (IMF), projected that during 1996, the unemployment rate would be approximately 23 per cent. As a result of the extended closure, the Palestinian Authority and IMF have revised these projections. Depending on the rate at which trade flows return to pre-closure levels and the possibility of labourers returning to their work in Israel, revised projections are that unemployment may average 31 per cent in 1996.

2. Assistance provided

42. The Palestinian Economic Council for Development and Reconstruction (PECDAR), UNDP and UNRWA, are the principal implementing agencies for projects specifically addressing the problem of unemployment, and their management capacity has expanded considerably in the last year. Under its Peace Implementation Programme (PIP I and II), UNRWA has received over $146 million, primarily for the implementation of small-scale infrastructural projects in the West Bank and Gaza Strip. Projects funded during the initial phase of the UNRWA employment generation programme will be completed during 1996. Progress has been hampered by extended closures, limiting the import of construction materials. However, technical assistance to contractors and other measures designed to increase labour intensity have helped to alleviate this situation.

43. In 1995, UNDP implemented projects amounting to $20 million, up from $8 million in 1994, for projects using labour-intensive methods and designed specifically to address the unemployment problem. UNDP is also implementing a portfolio of small infrastructure projects amounting to over $80 million in both the West Bank and Gaza Strip. UNDP received funding for programmes totalling over $28 million, which are being co-implemented with PECDAR, Palestinian Authority ministries, municipalities and village councils. In spite of numerous closures, UNDP clean-up, infrastructural rehabilitation and neighbourhood transformation projects have been instrumental in generating employment and improving municipal and social infrastructures.

44. ILO technical missions, in coordination with the Palestinian Authority, have devised strategies to address the unemployment issue and introduce labour-intensive works programmes. ILO is also undertaking the following ongoing employment-related activities: the reintegration, through employment, of ex-detainees; assistance to the Ministry of Labour in the development of labour policy and legislation; capacity building for the Federation of Palestinian Chambers of Commerce and the Palestinian Trade Union Federation; an income-generating programme for the disabled through the manufacture and maintenance of wheel chairs; assistance to the Palestinian Central Bureau of Statistics, including a regular labour force survey; assistance to small enterprise development; a programme to train contractors; and technical assistance, including the preparation of a strategy paper for labour-intensive infrastructure development.

45. Following three fact-finding missions, UNESCO has proposed setting up a programme, employing both specialists and unskilled workers, to safeguard historical sites and monuments in Jericho, Gaza, Hebron and Bethlehem. UNESCO also elaborated a programme to create multipurpose community resource centres in the municipalities of Gaza and Nablus, to include training for women and young people, as well as cultural and informational activities. A centre for the promotion of employment in the handicrafts industry is also planned.

3. Main development needs

46. Employment generation activities supported by the United Nations and the World Bank, in partnership with bilateral donors, have been largely confined to the Gaza Strip, the first major area to come under Palestinian self-rule. However, despite the substantial resources made available by the international community, the unemployment rate in the Gaza Strip remains high, at times surpassing 50 per cent, and is exacerbated by frequent and prolonged security closures. The need to rehabilitate deteriorated infrastructure has provided opportunities for productive employment in the construction sector based on labour-intensive methods. With the extension, in late 1995, of Palestinian self-rule to major towns and surrounding areas in the West Bank, the Palestinian Authority, the United Nations, the World Bank and donors are in agreement that the emergency employment generation programmes should be extended to that region.

47. United Nations agencies should assist the Palestinian Authority in formulating a clearly defined employment strategy. The sectoral working groups

of the Local Aid Coordination Committee should incorporate, whenever possible, labour-intensive methods in the implementation of their projects. However, the need to address the present crisis should not obscure the fact that unemployment is a structural problem requiring long-term solutions. As part of the development of a job-creation strategy for the West Bank and Gaza Strip, concrete measures must be taken that encompass a combination of policy instruments at both macro- and micro-levels including employment services, training, the development of small and medium-sized enterprises, the establishment of a social safety net mechanism, social security, and local and regional cooperation in labour migration.

48. In a situation of limited institutional capacity and resources, immediate attention must be given to integrating employment-generating projects into a comprehensive and coordinated Palestinian employment programme. As identified by the Ministry of Labour, this programme should combine both long-term policies and short-term programmes to address some of the immediate symptoms of unemployment. All components must aim at closing the employment gap and producing income-earning opportunities for all, including the long-term unemployed. To be effective, the programme should be developed as an integral strategy embracing employment generation, private sector development and institution building. While the generation of productive employment is the main priority of the programme, it should also strengthen the policy planning and monitoring capacity of the Palestinian Authority, in particular the Ministry of Labour.

49. In its initial phase, priority components of the Palestinian employment programme should include strengthening the Ministry of Labour's capacity to formulate, implement and coordinate the programme, while simultaneously expanding the number and scope of labour-intensive infrastructure projects and enhancing the labour content of such projects. Training for small-scale contractors should be provided to enhance their capacity to undertake labour-based projects. Small-scale income generating projects targeting women, youth and the disabled should be developed, as should self-employment and small business support schemes. The expansion and improvement of vocational training should also be a priority. The collection, analysis and dissemination of labour statistics and labour market information should be strengthened in order to monitor changes in the labour market. UNDP will support the Palestinian Central Bureau of Statistics and other institutions in producing statistics, including monitoring the impact of unemployment on women.

4. Integrated United Nations approach

50. The sectoral working group on employment generation, following the successful experience gained in the Gaza Strip during 1995, has identified a series of priority projects for the West Bank. Since November 1995, the working group has been cooperating with municipalities and village councils to identify new priority project proposals with a high labour content, targeting short-term development needs. The main priority continues to be to support, through capacity-building, the under-utilized implementation capacity of municipalities, village councils and the technical departments of key ministries, through joint implementation modalities between United Nations agencies and Palestinian

institutions. On-the-job training will continue to be provided for project management, the planning of high labour-content infrastructure activities and the introduction of transparent and accountable methods of project implementation. As in the past, all projects have been designed to generate short-term direct and indirect employment opportunities, to demonstrate a rapid and visible impact and to improve living conditions. The sectoral working group coordinates its activities with the Palestinian Authority and with donors to avoid duplication or the inclusion of projects already under active funding consideration. The projects comply with demands for transparency and accountability as well as rapid implementation.

51. The United Nations strategy should aim at the creation of a flexible "rolling programme" whereby, as one set of projects is under implementation, a new set is being identified and planned, thus permitting uninterrupted continuation. Such a programme can be adjusted to meet the changing employment levels in the West Bank and Gaza Strip.

52. In order to implement the United Nations strategy, it will be necessary to strengthen further the implementing capacity of Palestinian Authority institutions. UNDP, UNRWA and the World Bank are presently assisting Palestinian Authority implementing agencies, municipalities and village councils in enhancing their capacity to carry out infrastructure works.

53. UNDP, as co-secretariat to the sectoral working group on employment generation, will continue to participate in identifying new labour-intensive programmes. UNDP will also provide implementing agencies with reporting and monitoring services and assist in selecting consultants and sub-contractors, screening contracts, and procurement and import services. Through its engineering unit, UNDP will support the preparation, design and implementation of projects by providing expertise in the appraisal of proposals and the design of facilities (either directly or through sub-contracts with architectural firms). UNDP will also provide assistance in obtaining building permits, tendering documents and contracts and selecting construction firms and supervising construction. UNDP will continue to assess priority investment needs in the region and identify co-financing mechanisms.

54. UNRWA will continue to address the most pressing infrastructural needs of the Palestinian Authority through its Peace Implementation Programme. Projects include the rehabilitation, replacement and construction of schools and health facilities, as well as further investment in the UNRWA shelter rehabilitation and income generation programmes. UNRWA has a substantial implementation capacity, staffed mainly by Palestinians, which can be further expanded, funds permitting. The large number of projects that it is currently implementing contributes significantly to the alleviation of unemployment. The UNRWA income generation programme, which runs a revolving loan programme in support of small enterprises, also targets job creation as a priority in its project development.

55. ILO, as co-secretariat of the sectoral working group on employment generation, can provide training to Palestinian Authority staff, small and medium-sized contractors, consultants and workers. This approach could be combined with related programmes in employment policy, employment services, labour administration and vocational training. In addition, ILO will continue

to play an active role in assisting the Palestinian Authority in designing income generation activities for disadvantaged groups, including ex-detainees, disabled persons and women.

56. In the long term, sustainable employment will be generated mainly by the private sector. Recently, the Government of Israel and the Palestinian Authority reached a general agreement on the need for a programme of border industrial zones to attract foreign investment and create employment opportunities. The United Nations agencies with particular expertise in this field, the Economic and Social Council for Western Asia (ESCWA), the International Trade Centre UNCTAD/GATT (ITC), the United Nations Conference on Trade and Development (UNCTAD), the United Nations Industrial Development Organization (UNIDO) and others, should continue to provide technical assistance to Palestinian Authority agencies to implement this initiative, in close coordination with the World Bank.

C. United Nations assistance in health

1. Background

57. The Palestinian Authority assumed overall responsibility for health in the Gaza Strip and Jericho in May 1994, and the remainder of the West Bank in December 1994. Several factors hindered the development of the sector prior to this, the most significant being the lack of involvement of Palestinians in decision-making regarding their own health system. With the creation of a Ministry of Health, health matters are being addressed with reference to the needs and expectations of the local population. The Palestinian Authority has made commendable progress in implementing its Interim Action Plan, based on the National Health Plan, which was developed in consultation with Palestinian health professionals. The achievements of the Palestinian Authority during its first year of operation included the setting up of the organizational structure of the Ministry of Health, the development of a number of sectoral priorities and policies, and steps to address the sector's requirements in the area of human resources and basic needs.

58. By mid-year 1996, the population of the West Bank and Gaza Strip was 2.468 million, as estimated by the Palestinian Central Bureau of Statistics. Life expectancy is 70 years for males and 73.5 for females. The total fertility rate is estimated to be 7.44 children per woman in the Gaza Strip and 5.61 children per woman in the West Bank. Health indicators, especially the infant and child mortality rates, resemble those of other countries in the Middle East and those of similar economic backgrounds. The estimated infant mortality rate in 1995 was 32 per 1,000 in Gaza and 25 per 1,000 in the West Bank. The major causes of infant mortality are low birth weight and acute respiratory tract infections. Preventable diseases are under control owing to an expanded programme of immunization. The causes of morbidity and mortality in the adult population resemble those of societies in transition, with non-communicable diseases on the increase and preventable infectious diseases on the decline.

59. There are 24 hospitals, of which 6 are operated by the Ministry of Health and the remainder by non-governmental organizations and UNRWA. There are

1.1 hospital beds per 1,000 people. In 1992, there were 467 primary health care facilities. The number of general practitioners is 1 per 5,000 population; for nurses the figure is 1 per 1,800. There is geographical disparity in terms of health facilities and personnel, with a tendency to favour urban centres in general, and Jerusalem in particular.

2. Assistance provided

60. Following the signing of the Declaration of Principles in September 1993, the main priority of United Nations agencies was to meet urgent sectoral needs in the transitional phase and to plan for long-term sustainable development. United Nations agencies, in collaboration with the Palestinian Authority and the donor community, identified and planned priority interventions for the rehabilitation of the health infrastructure. These interventions, aimed primarily at building, renovating and expanding a number of health facilities, also benefited the local economy. United Nations organizations played a primary role in the implementation of such projects, with their technical expertise and experience on the ground enabling them to initiate projects in a relatively short time.

61. The process of transferring expertise and developing human resources was also facilitated. The United Nations played a vital role in assisting the Palestinian Health Authority in the area of organization and planning. Projects on the management and organization of health care were undertaken by the Ministry of Health, with support from UNICEF and the World Bank. United Nations agencies also extended assistance in a number of areas, including support for the expanded programme of immunization, an insurance scheme, the development of a National Essential Drug Programme, the control of acute respiratory infections and diarrhoeal diseases and support for maternal health and reproductive health.

62. The International Atomic Energy Agency (IAEA) has proposed a manpower development project for the Palestinian Authority to provide training for physicians and technicians in the medical fields relevant to the mandate of the agency. In this context, IAEA has sponsored two Palestinian professionals.

63. UNDP is completing a project of renovation and expansion of West Bank hospitals, in Beit Jala, Hebron and Nablus. In coordination with PECDAR, UNDP has implemented the rehabilitation/construction of six clinics and six hospital wards in Nasser Hospital in Khan Younis, Shifa Hospital and the Psychiatric Hospital in the Gaza Strip. UNDP, through its Gender Development Programme, supported the Palestinian Coalition for Women's Health in improving the provision of women's health services. The UNDP Local Rural Development Programme, which operates in the northern West Bank, has trained 11 rural women as community health workers.

64. The United Nations Population Fund (UNFPA) first extended assistance in 1987 in cooperation with the World Health Organization (WHO). Two maternal and child health/family planning projects, implemented by UNRWA in coordination with local Palestinian non-governmental organizations, made considerable progress in improving the quality of antenatal care and providing postnatal care. In 1995, the Women's Centre for Reproductive Health Care was established in Bureij camp

to extend information, education and counselling on reproductive health. Activities are carried out in coordination with the Ministry of Health and UNRWA health centres. UNFPA is considering support for the establishment of a similar centre in Gaza City. Also in 1995, in response to a request by the Ministry of Health, UNFPA in collaboration with WHO and UNRWA, fielded a needs assessment and strategic planning mission for women's health and development. Under the umbrella of the Pan-Arab Project for Child Development, UNFPA is also considering supporting a reproductive health module to be integrated into the UNICEF multiple indicator cluster survey planned for 1996. In addition, UNFPA is finalizing an overall programme of assistance to the Palestinian people in the West Bank and Gaza Strip for the period 1996-1999.

65. UNICEF aims to improve the quality of life of Palestinian children and women through support for maternal and child health programmes and through appropriate primary health care services. UNICEF programmes emphasize the importance of complementarity with the Ministry of Health, other United Nations bodies and non-governmental organizations in the field of development, community awareness and intersectoral cooperation. This strategy is applied to all the areas within the organization's concern: the expanded programme of immunization, control of diarrhoeal disease, acute respiratory infection, maternal health, the promotion of breast-feeding and the development of a health service management unit. A multiple indicator cluster survey is being implemented that will generate a database on essential indicators, especially women's and children's health.

66. UNRWA continues to maintain and upgrade its medical infrastructure at the primary care level. In both the West Bank and Gaza Strip, UNRWA offers general primary health care, mother and child care, dental care and a range of specialist services. UNRWA operates 34 health centres in the West Bank and 17 in the Gaza Strip. In addition, UNRWA subsidizes 50 out of 85 beds at Ahli Arab Hospital in the Gaza Strip and is in the process of completing the construction of the 232-bed European Hospital near Khan Younis. UNRWA also provides refugees with access to hospital services at the secondary and tertiary level, including the UNRWA hospital in Qalqilia. The Agency's regular health budget for 1995 was $14.6 million for the West Bank and $14.7 million for the Gaza Strip.

67. Under the Agency's Peace Implementation Programme, phase I (PIP I), UNRWA launched a large number of health-related projects, including the maintenance and construction of UNRWA and Palestinian Authority clinics and the procurement and supply of medical equipment, together with a number of interventions in the field of environmental health. Building on the success of the first phase, UNRWA launched PIP II in September 1994. This entailed a heightened focus on environmental health, and funding was received for a number of sewerage and drainage projects in Deir el-Balah and Beach Camp in the Gaza Strip. In the West Bank, funds were allocated for the construction of a public health laboratory and the completion of a sewerage system in Tulkarm. Following a tripartite evaluation by UNFPA, UNRWA and the Ministry of Health of the UNRWA expanded maternal health project in the Gaza Strip, a strategic plan and operational framework for a sustainable women's health programme was developed in the autumn of 1995. UNRWA efforts also went into the improvement of maternal health services with particular emphasis on the training of staff of UNRWA, the Ministry of Health and non-governmental organizations.

68. UNRWA also maintains a high level of coordination and harmonization of health policies and services with the Ministry of Health, with the aim of facilitating a smooth handover of the UNRWA health care system. UNRWA conducts close consultations with the Ministry of Health on all health-related matters, to identify areas where resources can be shared. A high-level Ministry of Health and UNRWA policy committee on the European Gaza Hospital was established to discuss the future management of the facility. UNRWA will hand over a newly constructed primary health care clinic in the West Bank to the Ministry of Health.

69. WFP activities in the Gaza Strip presently target 6,600 households registered by the Ministry of Social Affairs as hardship cases, the majority of which consist of women heads of household with large numbers of dependants. WFP food assistance is provided to complement the families' social entitlement package of a cash subsidy and health insurance. WFP is paying special attention to primary health care and is supporting two year-long projects for pregnant women, nursing mothers and pre-school children. WFP food aid is distributed as take-home family rations to poor women to encourage them to visit clinics and maternal child health centres operated by local non-governmental organizations. A total of 1,000 women and their children are benefiting from these projects.

70. In 1997, WFP will increase its level of assistance to hardship cases registered in the Ministry of Social Affairs safety net programme. Women heads of households and their daughters will be provided with direct counselling on health and nutrition-related subjects and trained in first aid. WFP is also exploring the possibility of collaborating with local non-governmental organizations in support of community-based, health-related interventions. Another proposal being considered is to provide food assistance as a budgetary support to public sector hospitals.

71. WHO, at the request of the Ministry of Health, provided the Ministry of Health with direct financial assistance and fielded several assessment missions. This assistance permitted the Ministry of Health to establish a number of units to develop strategic plans for intersectoral coordination and national health planning. Many of these units were subsequently absorbed by the Ministry of Health. WHO technical support to the Ministry of Health included the establishment of a plan for the regular supply and rational use of drugs. WHO is also providing assistance to the Ministry of Health and the Ministry of Agriculture in the development of a zoonotic disease policy. A workshop on zoonotic diseases was organized as a prelude to an agreement on a common policy. Other technical assistance included fielding a joint UNDP/UNICEF/WHO mission to formulate project proposals for the prevention of hearing impairment and the improvement of nutrition and mother and child health, under the auspices of the IMPACT (International Initiative Against Avoidable Disablement) scheme.

72. WHO also rehabilitated and equipped four health facilities in the Gaza Strip and provided the centres with basic medical equipment. A supply of medicine and vaccines to cover needs over a six-month period was provided for all government health facilities. Development began on the Khan Younis Rehabilitation Centre, which will provide physiotherapy services to the southern sector of the Gaza Strip. As part of the same project, WHO provided equipment

for a number of secondary health care facilities and the public health laboratory in the Gaza Strip.

73. WHO also financed the establishment of a Continuing Education Centre and a Public Health Training Centre in Gaza, and organized a total of 13 courses at the same facilities. Other courses covered research skills, management skills, health management information systems, public health laboratory technology, as well as a course for ambulance attendants and a cardiac course for nurses. WHO also organized a workshop, attended by over 300 participants, for the development of quality control norms in health service delivery.

74. In addition, WHO awarded several fellowships to senior Palestinian employees of the Ministry of Health and is collaborating with Birzeit University in developing a diploma course in primary health care. Funding for research was provided to various Palestinian institutions, including Al Quds University, which is carrying out a study on the occurrence of the B-Thalassaemia trait in Palestinian students and is providing counselling on the disease.

3. Main development needs

75. The fragmentation of health services has been a limiting factor in the development of an integrated, efficient health system. In addition to the Ministry of Health, active providers in the West Bank and Gaza Strip include UNRWA, non-governmental organizations and the private sector, with varying policies, objectives and interests. The introduction of strategic planning and a comprehensive system to regulate, monitor, evaluate and harmonize services remain an important objective.

76. The health system inherited by the Ministry of Health, has not yet been reoriented to the comprehensive approach to primary health care envisaged in the National Health Plan. The integration of preventive and promotive strategies in the curative services is still needed. The development and implementation of clearer health policies and a major reorientation of the system are essential for the future. A more comprehensive approach to women's health also needs to be developed.

77. There are discrepancies between the formal training and work experience of health staff, and the functions they are required to perform. The training, work experience and medical background of health managers also present obstacles to the implementation of appropriately oriented health policies. There is also a need for a comprehensive and cohesive revision of health legislation, as existing legislation consists of inherited Ottoman, British, Egyptian and Jordanian laws and Israeli Civil Administration orders, which reflect neither recent trends and developments in health, nor the policy choices made by the Palestinian Authority.

4. Integrated United Nations approach

78. United Nations support for the Palestinian Authority in the initial phase of the transition period has focused primarily on infrastructural development

and meeting basic recurrent costs. However, with the increasing efficiency of Palestinian institutions, the focus of the United Nations and donors should now shift to the transfer of technical expertise and the development of human resources. The United Nations approach is based on the mandates of the respective organizations and on the recommendations of a number of recent United Nations conferences. Women should be empowered to become decision-makers in their own right and influence the health policy-making process. Above all, the United Nations strategy in the health sector should be based on the Palestinian Authority's National Health Plan and Interim Action Plan.

79. The strategies adopted by the United Nations in 1995 have proved their efficacy and are still valid for the next phase of the development effort. These focus on providing technical support and contributing to primary health care infrastructural projects; strengthening and developing essential health services, especially reproductive health and family planning; facilitating coordination between United Nations agencies, non-governmental organizations and bilateral bodies; advising on institutional policies, with particular reference to gender-related issues; assisting in developing a system for collecting gender-disaggregated health sector data, as part of a health management information system; strengthening the capacity of the Ministry of Health to manage the overall health system; and assisting in the formulation of policies and strategies for human resources development.

80. The United Nations approach should adopt certain guiding principles. Strategies should be cross-sectoral and complement the efforts of other United Nations agencies, as well as the Palestinian Authority. The ongoing harmonization of policies between the two main providers, UNRWA and the Ministry of Health, should be extended to include non-governmental organizations and the private sector. Approaches developed in other countries provide the United Nations with a range of strategic options to make interventions more cost effective. Such an approach will reduce expenditure on secondary and tertiary health facilities, specialist training and other costly curative interventions in favour of preventive and promotive activities, local preferences and sustainability.

81. Improved management through the introduction of continuous training, the decentralization of administrative and budgetary authorities and the contracting of services plays a major role in strengthening the health system. United Nations agencies should assist the Ministry of Health in rationalizing the health insurance scheme and promoting initiatives aimed at increasing popular involvement in sustaining the health system. The United Nations should also assist the Ministry of Health in orienting the health system towards primary health care, as outlined in the National Health Plan. The United Nations should also stress the importance of administrative and financial decentralization to increase the relevance of health services to local needs.

D. United Nations assistance in infrastructure

1. Background

82. Infrastructure development is intimately related to the development of every other economic and social sector. Roads, water and sanitation, electricity and communication systems, hospitals and schools all constitute the foundation for the development of education, health care, industry, business and agriculture.

83. Despite the assistance provided thus far for housing, as well as the recent strong growth in private sector activity, the sector remains underdeveloped. The number of units constructed in the past few years falls well short of the present need of 40,000 housing units for the West Bank and Gaza Strip, as estimated by the Ministry of Housing in 1995.

84. Negotiations between the Palestinian Authority and donor countries concerning the construction of an airport and sea port progressed during 1995. An airport in the Rafah area, in the southern part of the Gaza Strip, is under construction, and the Palestinian Authority expects that it will become operational by late 1996. Although a number of studies relating to urban transportation planning have been conducted, the land transportation system is underdeveloped. Urban and rural roads are in an advanced state of disrepair and present a significant obstacle to economic development.

85. Although electricity demand for both domestic and industrial use continues to increase, supply remains static. Supply may soon increase owing to the involvement of the private sector and donors interested in assisting in the construction of a power generator in the Gaza Strip. Existing telecommunications systems are also unable to satisfy growing public demand. The private sector is expected to become involved in this area through the recently established Palestinian Telecommunications Company, a public share holding company established to provide communications services to the West Bank and Gaza Strip.

86. The Ministry of Health intends to implement the recommendations of its Hospital Master Plan for the extension and upgrading of existing health facilities and the construction of new hospitals. The Ministry of Education and Higher Education has placed the rehabilitation and development of its material resources - the construction, upgrading and equipping of educational facilities - at the top of its priorities. The Ministry is targeting deprived rural areas and creating facilities specifically for girls.

87. The most significant development in the water sector during 1995 was the establishment of the Palestinian Water Authority (PWA), which assumed responsibility for coordinating activities in this sector and for establishing priority investment and technical assistance needs. However, waste water disposal remains a problem. Sewage treatment plants, where they exist, are inadequate and require extensive rehabilitation and maintenance. Responsibility remains with the municipalities. No specialized authority has yet been established to ensure a systematic approach to the improvement of the sector or to prioritize investment needs.

88. The agricultural sector, a mainstay of the Palestinian economy and a major source of employment, faces several constraints. Access to natural resources remains restricted, physical infrastructure is inadequate and modern services and marketing facilities are lacking. In addition, the agricultural sector needs further assistance to address urgent needs in agricultural development, planning and policy-making.

2. Assistance provided

89. Approximately 70 per cent of the budget of UNDP for the occupied territories during 1995 and early 1996 was expended in the education, health, housing, sanitation and water sectors. Projects consist of an integrated package of capital assistance, training and technical assistance, with capital assistance accounting for 80 per cent of the programme. Whenever possible, construction activities include labour-intensive techniques. The ongoing employment generation programme, supported by UNDP, combines the objectives of improving service and basic infrastructure with creating job opportunities. Innovative project implementation arrangements have been adopted in order to ensure the full participation of Palestinian institutions.

90. In the water sector, UNDP provided assistance to seven villages in 1995. Projects ranged from the rehabilitation of existing water supply and distribution systems to the construction of new systems and the training of local council technical staff in operation and maintenance. In urban areas, UNDP has completed the rehabilitation of part of the Tulkarm water system, as well as the implementation of three other projects in Rafah, Ramallah and Nablus. One ongoing project involves the preparation of a water master plan for Khan Younis city and refugee camp, and the rehabilitation and upgrading of the existing system. In addition, two related projects in the Hebron District are under implementation. Following the signing of the Interim Agreement on the West Bank and the Gaza Strip, a new assistance programme was developed by UNDP to respond to Palestinian needs, consistent with annex III, appendix 1, article 40, of the Agreement on water. UNDP will design and construct the transmission line from a new well, funded by the Government of Israel, to the residential areas of Jenin City.

91. At the institutional level, UNDP has been supporting the management of water resources through the establishment of the Water Resources Action Program (WRAP) in April 1994. WRAP is now almost fully integrated into PWA and the project is entering into its second phase, which involves support for the formulation and implementation of a PWA policy. Participation in the development of a Palestinian strategy on waste water treatment and reuse is also a high priority for UNDP.

92. UNDP initiated a project in 1995 to rehabilitate a school and cultural complex in the city of Jericho to serve the needs of approximately 2,000 students. UNDP also launched a comprehensive programme for the rehabilitation of 18 schools in West Bank rural communities and the premises of the Ministry of Education in Ramallah. The programme, which targets the rural female population, is expected to expand in 1997. As part of the Employment Generation

Programme, UNDP, in cooperation with PECDAR, has undertaken minor infrastructure works in 19 educational facilities throughout the Gaza Strip.

93. UNDP continued its upgrading and renovation of Beit Jala Hospital near Bethlehem. Work is expected to be completed in 1996. Construction activities to expand the Women's Union Hospital in Nablus was completed, and the two-storey annex will accommodate three operating theatres and intensive care units. In addition, UNDP, in coordination with PECDAR, has rehabilitated or constructed six clinics and six hospital wards for Nasser Hospital in Khan Younis and the Shifa Hospital and Psychiatric Hospital in Gaza City. These projects form part of the Employment Generation Programme funded by the Government of Sweden. UNDP has also procured hospital equipment and supplies for Nasser Hospital in Khan Younis and for Shifa Hospital in Gaza City.

94. In the agricultural sector, UNDP is revitalizing two Palestinian intermediate-level agricultural training schools at Al-Aroub near Hebron and Beit Hanoun in the Gaza Strip. The aim of the project is to renovate existing physical facilities in both centres through the construction of new classrooms and dormitories and the rehabilitation of model farms. Throughout 1995, UNDP also supported a number of private sector initiatives such as the procurement of equipment for the Ramallah poultry cooperative, as well as supplying additional investments to the Gaza Citrus Plant. UNDP and the United Nations Capital Development Fund (UNCDF) are supporting a local and rural development programme in the district of Jenin. In addition to the local and rural development programme, UNDP is also supporting a number of village councils in their efforts to be upgraded as municipalities.

95. UNDP is implementing a housing project in Beit Hanoun that will provide 256 housing units for families of the Palestinian police force. Construction commenced in March 1995 and is expected to be completed by the end of 1996.

96. Following the signing of the Declaration of Principles between the Government of Israel and the Palestine Liberation Organization in September 1993, UNRWA established its Peace Implementation Programme (PIP). This programme primarily targeted basic infrastructure projects in the education, health, and social sectors. Following the success of its first phase, PIP II was launched in September 1994. UNRWA prioritized projects under PIP II, emphasizing those which can be implemented immediately and do not add significant recurrent costs and have a large direct labour component. UNRWA maintains a priority short list of projects, focusing mainly on the construction of schools, classrooms and shelters. The primary focus is the continuous strengthening of basic physical infrastructure in the West Bank and Gaza Strip, with the aim of improving refugee living conditions and contributing to employment generation. UNRWA is also preparing for the eventual hand over of its services to the Palestinian Authority.

97. Prior to the establishment of the Palestinian Authority, UNRWA assumed a lead role in planning for sustainable development in the environmental health sector. Since the establishment of the Ministry of Planning and International Cooperation and PECDAR and the subsequent strengthening of local capacity within this sector, UNRWA has been coordinating closely with the Palestinian Authority. UNRWA is implementing environmental health projects amounting to $27 million

under PIP I. Under PIP II, UNRWA received $17.3 million for projects for the improvement of environmental conditions in the West Bank and Gaza Strip, and is seeking over $110 million in donor funding for additional projects.

98. UNRWA is implementing education-related projects, amounting to $48.3 million, under PIP I and II. The construction of additional schools and classrooms and the replacement of unsuitable premises will enhance the quality of education which the Agency provides to the refugee population. The anticipated return of refugee families will place additional pressure on the Agency's education facilities. UNRWA is still seeking $85.7 million in funding for education projects under PIP II.

99. UNRWA is implementing health projects amounting to $50.8 million under its PIP I and II programmes. The focus of the programme is to maintain and upgrade the health infrastructure at the primary level in close coordination with the Palestinian Health Authority. UNRWA is still seeking over $2 million in donor funding for health-related projects and additional funding for the European Gaza Hospital near Khan Younis, the first new hospital to be built in the Gaza Strip in over 25 years. Since the establishment of PIP, UNRWA has received $27.4 million in funding for shelter upgrading and reconstruction. Potential beneficiaries are selected on the basis of established socio-economic hardship criteria. The work is carried out by local contractors or on a self-help basis. UNRWA is still seeking $11 million for the West Bank and $7 million in funds for Gaza.

100. Following a mission by the International Civil Aviation Organization (ICAO), three projects were identified. An ICAO project to support the Palestinian Civil Aviation Authority has been included in the Palestinian Authority's list of priority projects.

101. As a result of various missions by the International Telecommunication Union (ITU) during 1995, a study was finalized and a number of priority projects were identified. A training workshop was conducted and several fellowships were awarded to staff in the Ministry of Planning and Telecommunications to participate in regional activities organized by ITU. Following a mission to assess the priority needs of the Ministry of Planning and Telecommunications, ITU formulated a technical assistance programme for 1996-1997. ITU has seconded a senior expert in telecommunications operations and management to the Ministry of Planning and Telecommunications for six months.

102. An International Maritime Organization (IMO) advisory mission visited the Gaza Strip to assess the needs in the maritime sector. As a result, two project profiles were prepared, with a project entitled "Establishment of a maritime administration" being included in the Palestine Authority's Core Investment Programme. Following a Universal Postal Union (UPU) mission in 1995, a number of priorities were identified and two projects formulated. The project entitled "Rehabilitation of the postal services" was also included in the Core Investment Programme.

103. UNESCO activities in the field of educational infrastructure included a project to rehabilitate schools in the Gaza Strip and the West Bank. By

January 1996, 17 schools were rehabilitated and furnished. A model kindergarten in Gaza City was also constructed, to serve up to 50 disadvantaged children.

3. Main development needs

104. In view of the enormous needs of infrastructural development, the first priority must be the rehabilitation, operation and maintenance of existing physical infrastructure facilities. Simultaneously, sustainable capacity must be developed to manage, operate and maintain these facilities, through the establishment of adequate management systems and structures, on-the-job training and the transfer of skills and knowledge. All capital investments in infrastructure should be combined with appropriate technical assistance packages. In addition, support for future development planning should be coordinated with Palestinian institutions, in particular the Ministry of Planning and International Cooperation.

105. Infrastructural requirements in the West Bank and Gaza Strip - in the agriculture, education, health, industry, sanitation and water sectors - are similar in terms of the type of projects needed. However, it is increasingly evident that needs vary between the West Bank and the Gaza Strip and that development priorities should be tailored accordingly. Population density, availability of key natural resources, per capita income and urban and agricultural conditions differ between the crowded coastal plain and the less densely populated West Bank. In view of the limited availability of land, a regulated programme of land use is a prerequisite for all other forms of infrastructural development, and such development should incorporate strict guidelines for the protection of the environment and of human resources.

106. Dwindling water resources, the growth of the agricultural sector and a rising population necessitate the creation of efficient water preservation and distribution systems. Palestinian experts in water resource planning and management require assistance in the field of water policy, legislation and management strategies. Closely related to the question of water resources is the issue of waste water disposal and reuse. Inadequate sewage systems and the absence of proper treatment and disposal schemes threaten both the quality of the water supply and public health.

107. The revival of the agricultural sector features prominently in Palestinian development planning. To encourage private investment, the improvement of the legal, regulatory and institutional framework is necessary. Basic agricultural infrastructure - schools, laboratories, quarantine stations, research stations - also requires upgrading.

108. In order for Palestinian industry to develop and become competitive, a proper transportation system and modern electric and telecommunications networks are necessary. Power generation plants, energy planning and information systems, energy efficiency programmes and renewable energy technologies are required. Similarly, the lack of a modern telecommunications network has a negative impact on the ability of Palestinian business and industry to compete.

109. The educational infrastructure requires upgrading, and existing material resources, including classrooms, laboratories, libraries and playgrounds, need rehabilitation and expansion. Rural communities should be targeted, especially those in inaccessible areas and where female pupils are underrepresented.

110. The National Health Plan of the Ministry of Health focuses on the rehabilitation, renovation and expansion of tertiary health care facilities. The first priority is to provide equal access to high quality hospital care. The National Health Plan envisages providing increasing bed capacity in under-served districts of the West Bank. The second priority is the provision of operating theatres and intensive-care equipment.

111. The rate of house construction cannot meet existing needs, especially those of low-income families. Demand will continue to grow, given the high rate of population growth and the expected rise in the number of returnees. The Palestinian Authority is currently devising a strategy to promote private sector financing for housing and to increase the supply of affordable housing for the low-income segment of the population. The main elements of this strategy are the provision of long-term financing and insurance facilities to promote commercial bank financing for housing; the establishment of a housing bank, targeting assistance and subsidies to needy households; the upgrading of infrastructure in low-income neighbourhoods; and legal and regulatory reforms to encourage private sector participation in the development of the housing sector. It is recommended that the Palestinian Authority act as a facilitator in housing provision and a generator of job opportunities.

4. Integrated United Nations approach

112. The primary elements of the United Nations strategy to support the development of the Palestinian Authority efforts in infrastructure are the continued rehabilitation of basic education, health and agriculture, as well as adopting labour intensive techniques in the design and implementation of projects. A realistic assessment of the situation in the West Bank and the Gaza Strip shows that the Palestinian Authority lacks the financial resources to implement and manage major infrastructure projects at this time. The United Nations strategy for infrastructure development should fully support the preliminary statement on the Palestinian development strategy, presented to the Ministerial Conference on Economic Assistance to the Palestinian People in Paris on 9 January 1996.

113. There is an urgent need for both the rehabilitation of existing infrastructure and investment in new strategic facilities, with potential for regional linkages. Although significant progress has been made in the implementation of the World Bank-supported Emergency Rehabilitation Program and other donor-funded programmes, rehabilitation and upgrading is still needed for electricity distribution, existing roads, drainage, water supply and waste water treatment systems, as well as solid waste collection and disposal.

114. The education sector suffered inadequate levels of investment in the past, which the Palestinian Authority's Core Investment Programme is addressing by rehabilitating and expanding basic education facilities and strengthening

educational management. The main priorities are the rehabilitation of existing schools and the construction of new ones to overcome the problem of overcrowding, the upgrading of higher education facilities and establishing art, cultural and recreational institutions. The ongoing UNRWA Peace Implementation Programme is an essential component of the development effort in this sector. The Peace Implementation Programme will also continue to benefit the health sector, as will WHO through its role as secretariat to the sectoral working group on health. This sector faces difficulties owing to the shortage of hospitals, staff and equipment, as a result of the tripling of the West Bank and Gaza Strip population since 1967. Infrastructure is inadequate and there are disparities in the quality of health care services. Priorities include improving the primary health care system and consolidating hospital-based care. The Core Investment Programme focuses on the rehabilitation of existing facilities and the extension of basic health care infrastructure to those areas where needs are most urgent.

115. UNDP will assist the agricultural sector through the development of an investment programme for the revitalization of the research, extension and agricultural training sub-sector. A number of feasibility studies will be developed for priority physical infrastructure needs. These activities will be developed in coordination with the institutional capacity-building support which UNDP will provide to the Ministries of Agriculture and Education, in terms of policy development and strategic planning. In addition, UNDP and UNCDF will continue to support the relevant ministries and local authorities in the area of local planning and financing for development.

E. United Nations assistance in institution-building

1. Background

116. The Palestinian Authority assumed responsibility for central administration functions in the Gaza Strip and the Jericho Area in May 1994, following the signing of the Agreement on the Gaza Strip and the Jericho Area. The scope of the powers of the Palestinian Authority was extended to certain defined spheres of central government responsibility throughout the West Bank in December 1994. In addition, throughout the latter months of 1995, following the signing of the Interim Agreement on the West Bank and the Gaza Strip, the Palestinian Authority assumed full self-rule and civil administration responsibilities in most West Bank cities and in many towns and villages. The mandate of the Palestinian Authority now covers the majority of the Palestinian population in the West Bank and Gaza Strip, although a much smaller percentage of the actual territory.

117. Palestinian institutions in the West Bank and Gaza Strip comprise three distinct categories: the Palestinian Authority central administration, local government and non-governmental organizations. The central administration has absorbed former employees of the Israeli Civil Administration, staff of the technical and operational departments of the Palestine Liberation Organization, staff from some local non-governmental organizations and individuals from the private sector. A comprehensive manpower development programme is needed, to take into account the different backgrounds and technical capacities of central administration employees.

118. In the area of local government, Palestinian public institutions have existed for decades in the form of village councils, local development councils and municipal administrations. At the non-governmental level, a large number of Palestinian non-governmental organizations, including charitable societies, cooperatives, research centres and community-based organizations, have operated in the West Bank and Gaza Strip. Many non-governmental organizations have served - and continue to serve - vital public and quasi-public functions. Support from the United Nations has been provided to, and through, this network of non-governmental organizations and community-based organizations. At all of these administrative levels, it is necessary to develop sustainable institutions that can deliver public services to the Palestinian population in an efficient and effective manner.

2. Assistance provided

119. In response to the changes that have occurred since the signing of the 1993 Declaration of Principles, United Nations assistance to institution-building has evolved rapidly, focusing on assisting in the organization and start-up of the Palestinian Authority. The United Nations is assisting Palestinian Authority ministries and institutions to coordinate their activities and formulate central-level policies in different sectors, as well as to build up the Authority's institutional structures.

120. In 1994 and 1995, UNDP responded to the most pressing needs of the Palestinian Authority by providing emergency start-up funding and procurement support to 19 Palestinian Authority ministries and institutions. UNDP also continued its tradition of public sector support at the municipal and local levels, primarily through large-scale infrastructure investments, combined with training and technical assistance. Since early 1995, UNDP has been implementing the TOKTEN Programme (Transfer of Knowledge Through Expatriate Nationals), which has become a key source of short-term technical assistance to the Palestinian Authority. The TOKTEN Programme sponsors the return of expatriate Palestinians to provide policy advisory services, consultancy studies and training to Palestinian Authority ministries, universities, research centres and quasi-public institutions.

121. In a complementary manner, UNV is providing specialists to work within Palestinian Authority ministries for long-term missions (1-2 years), to support policy and strategy formulation, prioritization of needs and identification of project and funding sources. With current UNDP funding, a UNV umbrella project is providing support to the Ministries of Social Affairs, Youth and Sports, Education, and Tourism and Antiquities. The UNV modality is also being utilized in a UNDP project to give support to women's departments in the Ministries of Social Affairs, Youth and Sports, Planning and International Cooperation, and Health. In addition, a team of four UNV specialists, through its White Helmets Initiative, is lending expertise to the Municipality of Gaza in its long-term urban planning process.

122. In 1995, UNDP assisted in the establishment of the interministerial task force for public administration development and public sector management, working closely with the Ministry of Planning and International Cooperation.

UNDP sponsored a mission from its Management Development and Governance Division, which helped to set out the priority needs of the Palestinian Authority and made recommendations for a public administration development programme. UNDP has also assisted in the formulation and ongoing implementation of the Palestinian Authority's Public Administration Training Programme for civil servants. In addition, UNDP is supporting the efforts of women's departments within Palestinian Authority ministries to enhance their capacity to integrate gender concerns into the development process. The employment-generating public works programme, developed with assistance from UNDP and donors, is building local institutional capacity in the form of the PECDAR Programme Management Unit in Gaza. Progress in the development of the Programme Management Unit has been central to the development and implementation of infrastructure rehabilitation and construction programmes.

123. UNDP also supported the establishment of the Palestinian Water Authority in 1995, through technical and advisory support provided through the Water Resources Action Programme. In the field of agriculture, UNDP has commissioned the Food and Agriculture Organization of the United Nations (FAO) to undertake a formulation mission to develop an institution-building programme to strengthen the capacities of the Ministry of Agriculture in policy formulation and planning.

124. UNRWA, through its long history of assistance to Palestinian refugees, plays a large role in the West Bank and Gaza Strip public sector, particularly in education, health and social services. UNRWA employs over 5,500 teachers in the West Bank and Gaza Strip, who provide primary, preparatory and vocational schooling to 177,000 students. UNRWA offers basic health and social services to over 1.2 million registered refugees, operates approximately 52 out-patient facilities and employs 130 physicians and 1,500 other health care workers. In the Gaza Strip, UNRWA provides monthly in-kind support to almost 100,000 of the poorest refugees. The Agency's activities over the past 45 years have built up substantive local capacity and dramatically improved the Palestinian human resource base. These capacities help set the agenda for institutional development, in particular in the area of public management and administration.

125. The new UNICEF programme of cooperation for 1996-1997 includes a two-fold strategy for the survival, protection and development of children: (a) providing emergency relief and rehabilitation services during the transition stage; (b) developing a medium- to long-term capacity-building programme for governmental and non-governmental institutions and for empowering communities. This strategy will focus on developing policies and systems and building institutions to promote the rights of children and women, under the framework of the United Nations Convention on the Rights of the Child and the Convention on the Elimination of All Forms of Discrimination against Women.

126. In 1994-1995, ILO initiated a long-term project for the foundation and development of the Ministry of Labour. ILO assisted the Ministry in integrating offices previously managed by the Israeli Civil Administration. Branch offices of the Ministry of Labour were set up in Gaza and Jericho. ILO also assisted the Ministry in developing labour inspection services and elaborating a labour code. Training of labour market agents and of labour inspectors has already started.

127. In addition, ILO assisted the Ministry of Social Affairs in designing and implementing a programme for the reintegration and rehabilitation of ex-detainees. The Ministry of Social Affairs and ILO are undertaking activities related to vocational rehabilitation. At the request of the Palestinian Authority, ILO formulated a proposal on "A Palestinian employment programme: a medium-term strategy" in 1995, to provide a framework to design policies and programmes for sustainable and productive job creation. The ultimate objective of the Palestine employment programme is to enhance the capacity of the Palestinian Authority to undertake policy and programme planning on employment and labour market issues.

128. In addition, with the assistance of ILO, the Palestinian Central Bureau of Statistics finalized the first Palestinian labour force survey in early 1996. Another ILO project launched at the beginning of 1995 upgraded the equipment of the Federation of Palestinian Chambers of Commerce, Industry and Agriculture and provided training and technical expertise. ILO has also supported workers' organizations such as the Palestinian General Federation of Trade Unions by promoting trade union rights, enhancing the organizational structure of the Federation and improving trade union management and services.

129. WFP assistance aims to improve the delivery of public services by the Department of Rehabilitation and Relief of the Ministry of Social Welfare. To enhance the skills of 50 social workers within the Ministry, WFP will organize six workshops throughout 1996, focusing on monitoring and data collection techniques and awareness-raising on issues related to gender, nutrition, education, health and environmental sanitation.

130. The Crime Prevention and Criminal Justice Division of the United Nations Secretariat is developing a project to improve the criminal justice division in the Gaza Strip and the West Bank in order to complement other ongoing projects in this field. The aim is to improve the administration of the criminal justice system by providing assistance in drafting and reviewing laws and building the capacity of criminal justice personnel through training courses.

131. The United Nations Special Coordinator in the Occupied Territories continues to coordinate bilateral and multilateral training programmes for the Palestinian police force. The main objective has been to gradually transform international training efforts into a longer-term framework to enable the police to undertake its own specialized training. During 1995, the police force programme focused on the need to establish a police academy, to be built in Nablus. Meetings between prospective donors, the Palestinian police and the Mayor of Nablus have been facilitated through the Office of the Special Coordinator in the Occupied Territories. In the first half of 1996, more than 550 policemen received training in the following areas: advanced driving, basic forensic science, drug law enforcement, human rights, maintenance of public order, management development and training, and management training for traffic police and women police management. The Office of the Special Coordinator in the Occupied Territories provides support services to donors, including the facilitation and briefing of visiting missions and trainers, as well as assisting in the monitoring, follow-up and evaluation of courses. Training courses are designed to meet needs identified by the Palestinian police force and expressed to the international community, through the Local Aid Coordination

Committee sectoral working group on the police, for which the Office serves as secretariat.

132. The Centre for Human Rights of the United Nations Secretariat has secured funding for a two-year project for the strengthening of the rule of law in the West Bank and Gaza Strip. It will be implemented by a project team to be located in Gaza, and will include support for law reform, training and advisory services to police, prison officials, lawyers and judges, as well as technical and financial support for local human rights organizations and the Palestinian Independent Commission for Citizens Rights.

133. WHO assistance has continued to focus mainly on building an infrastructure for primary health care, secondary health care and environmental health, especially in the Gaza Strip. WHO provided resources for the establishment and operation of a number of departments of the Ministry of Health. WHO also responded to the request of the Palestinian Council for Health for financial and other assistance in the following fields: recruitment of staff and the equipping of five units responsible for the transfer of health services to the Palestinian Authority; the establishment of a health data system to serve as the basis for health planning; the design and evaluation of an insurance system; the design of a regulatory framework for health services; and the establishment of priorities for the environmental-health sector.

134. In 1994 and 1995, UNFPA fielded a number of technical advisory missions to assist the Palestinian Central Bureau of Statistics in formulating a population and housing census project. The project will contribute to building the institutional capabilities of the Palestinian Central Bureau of Statistics through technical assistance from UNFPA and the Department for Economic and Social Information and Policy Analysis; the recruitment and training of field workers, statisticians and data-processing specialists; and the provision of data-processing and other equipment for collecting and analysing population data. Census data will be collected and analysed by gender to provide the basis for the formulation of specific policies to respond to women's needs. To help build the operational capabilities of the Palestinian Central Bureau of Statistics, UNFPA may provide training for its staff and for non-governmental organizations in financial and administrative rules and procedures. These above activities would be implemented as part of the UNFPA Programme of Assistance to the Palestinian People (1996-1999), which is being finalized.

135. In addition, UNFPA assisted in the establishment of a women's centre for reproductive health care, social assistance, legal counselling and community education in the Bureij refugee camp in the Gaza Strip. The centre was inaugurated in December 1995, and its activities are being implemented by local non-governmental organizations, in coordination with the Ministry of Health and UNRWA. UNFPA is considering support for the establishment of a similar centre in Gaza City. UNFPA is also planning to provide technical assistance and training to the Women's Health and Development Department of the Ministry of Health, the Ministry of Social Affairs and women's non-governmental organizations.

136. The activities of the United Nations Development Fund for Women (UNIFEM) focus on institutionalizing gender planning within emerging Palestinian

Authority bodies. The recent activities of UNIFEM included supporting preparations for the Fourth World Conference on Women in Beijing, by providing training to Palestinian participants. Since the Conference, UNIFEM has launched follow-up activities in the West Bank and Gaza Strip through a regional project that targets governmental mechanisms and non-governmental organizations to promote the implementation of the platform of action adopted in Beijing. UNIFEM is also providing support for the establishment of a Women in Development Facilitation Unit in the West Bank and Gaza Strip, which will endeavour to integrate gender issues into existing donor coordination mechanisms.

137. Following an assessment mission in October 1995, the Department for Development Support and Management Services formulated five project documents, comprising a comprehensive package of assistance to the Palestinian Authority in the area of financial management. The Department also supported the United Nations Seminar on Palestinian Administrative, Managerial and Financial Needs and Challenges, held in June 1995.

138. The International Telecommunication Union (ITU) has developed three project proposals aimed at strengthening the institutional framework of the telecommunications sector: Advisory support to the Ministry of Post and Telecommunications; a telecommunication training centre; and a telecommunication master plan. Other ITU activities in 1995 included assisting the Ministry of Telecommunications in its assessment of priority needs and conducting an organizational development training workshop in November 1995 for telecommunications managers.

139. Following assessment missions, the United Nations Centre for Human Settlement (Habitat) has prepared a project document entitled "Housing policy and projects", to assist the Ministry of Housing in the preparation and formulation of a comprehensive housing policy and implementation strategy, including institutional and regulatory frameworks, land regulations, housing and municipal finance, and monitoring mechanisms.

140. In partnership with the Palestinian Authority, UNESCO has developed project proposals in the fields of education, science, culture and communication. In addition, during 1995-1996, UNESCO undertook the following activities: a human resources project for the Ministry of Education; an international meeting of experts on music culture in the West Bank and Gaza Strip; a training seminar for theatre instructors; and technical assistance and equipment to the Palestinian Broadcasting Corporation. In addition, UNESCO will soon be initiating a project to restructure and strengthen the Palestinian News Agency (WAFA).

141. UPU undertook an assessment mission in 1995 and formulated a project to develop the human resources capacity of the Palestinian postal system through training of its staff in management and postal operations.

142. As part of its strategy to build up institutional capabilities in the areas of trade, finance, and related services, UNCTAD fielded an advisory mission to the Ministry of Transport, to identify requirements and elaborate a project of technical cooperation in the development and management of the Gaza commercial sea port. The project foresees technical assistance from UNCTAD, primarily in the establishment of institutional, operational and managerial capacities, and

the necessary legal framework for the proper setting up and functioning of the port.

143. The United Nations Institute for Training and Research (UNITAR), has formulated two projects. The project entitled "Training in public administration" aims to strengthen the capacity of senior officials and institutions in budgeting, financial management, debt management and financial negotiations. Two workshops on financial management were conducted by UNITAR in Gaza and Ramallah in December 1995. The project entitled "Training for establishing a Palestinian Land Information System and Mapping (PALISMAP)" aims to establish a geographic information infrastructure to facilitate access to, and use of, geoinformation and to improve the mapping capabilities of relevant ministries.

144. The strategy of the United Nations Drug Control Programme focuses on a multisectoral approach to coordinate and integrate drug control policies into the broader developmental policies of the West Bank and Gaza Strip. The Programme is developing subregional cooperation with neighbouring countries (Jordan, Egypt, Israel). In 1995, in close collaboration with the Palestinian Authority, the Programme prepared the project entitled "Multi-sectoral drug control assistance to the Palestinian Authority", which will provide technical assistance (a) to establish a drug control institutional framework; (b) to reduce the illicit supply of narcotic drugs through improved detection, interdiction and prosecution capacities; and (c) to prevent and reduce drug abuse through improved awareness, treatment and rehabilitation methods. Emphasis will be placed on capacity-building through training in the above areas.

145. ESCWA has assisted in assessing the restructuring and rehabilitation of public agricultural institutions and in assessing the role of non-governmental organizations in the agricultural sector, with an emphasis on agricultural credit institutions. ESCWA also assisted in the rehabilitation and development of the Palestinian Central Bureau of Statistics through training programmes, with an emphasis on new systems for national accounts and the development of gender statistics.

146. UNEP conducted a course in December 1995 to assist the Regional Training Group of the Multilateral Working Group on Water. The aim was to provide participants with an analytical framework on sustainable freshwater use in the Middle East.

147. UNIDO has developed a strategy for technical assistance in private sector development for industry, small- and medium-scale enterprises, human resources development and technology. Within this framework, UNIDO is implementing a project on the integrated development of the building materials and construction industry. This project will provide for a unit to monitor and manage technical cooperation projects, as well as related activities. In 1995, UNIDO undertook several missions aimed at developing projects, including the establishment of the Palestinian Standards Organization, the Palestinian Fashion Design and Technology Development Centre, the Biomedical Equipment Repair and Maintenance Centre and a Plastics Service and Trading Centre. UNIDO is also proposing

technical support to various ministries, the newly established Industrial Associations and the Palestinian Central Bureau of Statistics.

3. Main development needs

148. Institutional building comprises one of the four primary components of the Palestinian Authority's preliminary statement on a Palestinian development strategy, presented in January 1996 at the Ministerial Conference on Economic Assistance to the Palestinian People. As noted in the preliminary statement, the institutional development component aims to achieve the development of a new system of governance, and the building of local capabilities and a competent civil service necessary to implement the economic development strategy.

149. As outlined in the preliminary statement, the Palestinian Authority's institutional development priorities include strengthening the technical, financial and managerial capabilities of municipal governments; building up a legal basis for public administration; strengthening the key central institutions relating to commerce and economic management; ensuring that development projects incorporate institution-building components; ensuring extensive consultations between the central Government, local authorities, the private sector and non-governmental organizations in the implementation of an economic development strategy; creating capacity within Palestinian institutions for research, policy analysis and policy implementation; and ensuring open participation in the decision-making process by involving the public in policy formulation and the design of the development strategy. The United Nations strategy for institution-building will be geared towards responding to these priorities.

4. Integrated United Nations approach

150. Owing to the urgency of supporting the initial start-up phase of the Palestinian Authority ministries and institutions, most donor support in the area of institution-building has focused on capital investments and support for recurrent expenditures. Although technical assistance may take longer to bear fruit, it is an essential element in long-term institutional development and a key factor in developing the absorptive capacity of the Palestinian Authority to implement large-scale capital investments.

151. An important focus for the United Nations system will be in the physical infrastructure sector. The United Nations system has the necessary expertise to provide capacity-building technical assistance within selected areas of infrastructure rehabilitation, such as civil aviation, port management, housing, employment-generating public works programmes, telecommunications, hospital and school construction, and the postal service. Another important focus for the United Nations system is in supporting sustainable human and social development through the provision of technical assistance to those Palestinian institutions closely concerned with the delivery of public and social services. The relevant United Nations organizations can provide a broad range of technical assistance, including training and policy advisory support. In addition, technical experts can assist Palestinian Authority ministries in developing and implementing

sectoral gender-sensitive strategies and action plans. Assistance can also be provided to strengthen the monitoring and evaluation capacities of the ministries.

152. United Nations organizations may also assist ministries in establishing data systems and information bases in order to make data available to policy-makers, as well as strengthening institutional capacities in the analysis, dissemination and utilization of such data. United Nations organizations will also continue their support to non-governmental organizations and may help establish appropriate mechanisms for partnership between Palestinian Authority institutions and non-governmental organizations.

153. Another key element of the United Nations strategy for institution-building will be the continuing focus on supporting public sector management and public administration development. The aim of the United Nations system is to support and strengthen the capacities of those Palestinian Authority institutions which play a central role in public administration. The United Nations system will work with relevant Palestinian institutions to assist the Palestinian Authority in other tasks that could be included in an overall Public Administration Development Programme. The United Nations system will continue to support the Palestinian Authority in the ongoing formulation of an overall gender-sensitive training strategy and in the coordination and implementation of training programmes.

154. Priority from the United Nations system should also be given to enhancing the capacity of the Ministry of Labour to formulate, implement, coordinate and monitor a comprehensive Palestinian employment programme. Short-term employment programmes will be designed and implemented under the Palestinian employment programme to alleviate long-term structural unemployment. Support should also be provided to other institutions concerned with labour and employment issues, such as employers' and workers' organizations.

155. The United Nations system will also continue to support the capacity development of local authorities. Technical assistance components will be incorporated into large-scale capital investment projects in order to boost the capacity of local counterpart institutions and strengthen their technical, financial and managerial capabilities. The United Nations system will also support ongoing Palestinian initiatives in decentralized planning and financing for development. In addition, the United Nations will support policy dialogue between the local authorities and Palestinian Authority ministries on issues of local governance and decentralization.

156. Another critical element in ensuring the proper development of public sector institutions is to develop cohesive and equitable legal and judicial frameworks. The Palestinian Authority has stated its intention of establishing a legal reform committee in 1996, which will formulate a phased action plan for legal reform. Owing to the relatively high level of expertise in human rights, legal reform and the rule of law in Palestinian civil society, the United Nations system will support projects that will channel this expertise from the non-governmental sector to the official sector. The United Nations will promote the rationalization and reform of the legal system to conform with international standards, the independent administration of justice, promotion of the rule of

law and training of criminal justice personnel. The legal environment surrounding private sector investment should also receive priority attention.

157. Another aim of the United Nations strategy is to strengthen Palestinian capacity for aid coordination and management. Support from the United Nations can be provided to the Palestinian Authority by a whole range of aid coordination and management processes, such as the project formulation and implementation cycle, the assessment of capital and technical assistance needs, the integration of aid flows into the central planning process and the establishment of relationships with donor institutions.

158. A central objective of United Nations support for institutional development is to facilitate the progressive inclusion of the West Bank and Gaza Strip into regional and subregional spheres. The United Nations system will encourage regional networking, utilizing the established field office network of United Nations organizations throughout the Arab States, as well as the exchange of technical expertise within the region. The utilization of qualified expatriate Palestinian expertise will also be encouraged.

159. Throughout its various activities in support of institution-building, the United Nations system will support and complement the institutional development strategy currently being prepared by the World Bank. The efforts of the United Nations system will aim at shaping a coherent programme of complementary activities leading to the improvement of Palestinian institutional capacities.

F. United Nations assistance to private sector development

1. Background

160. The gross domestic product (GDP) of the West Bank and Gaza Strip has been estimated at $2.6 billion, compared to $5.2 billion for Jordan and $65 billion for Israel (indicative figures for 1993). By 1995, the preliminary estimated GDP had grown to $3.5 billion, according to the Palestinian Authority Ministry of Finance. According to World Bank estimates, the service sector accounts for nearly 50 per cent of GDP; agriculture for less than 30 per cent; construction for 14 per cent; and industry for only 8 per cent. One of the major structural imbalances of the Palestinian economy is its low degree of industrialization when compared to other economies at similar income levels. The private sector has accounted for about 85 per cent on average of the West Bank and Gaza Strip GDP in recent years. This unusually large share of GDP reflected the absence of a well-developed public sector prior to the establishment of the Palestinian Authority in May 1994.

161. The per capita GDP of the West Bank and Gaza Strip is estimated at $1,700, according to a report prepared by the Palestinian Authority in collaboration with IMF and the World Bank. Although recent figures are fragmented and incomplete, Palestinian Authority estimates suggest that GDP grew by 7.3 per cent in real terms in 1994 but by only 3.5 per cent in 1995. More importantly, the gross national product (GNP), which, in addition to domestic output and income, takes into account income earned outside the West Bank and Gaza Strip, notably in Israel, is estimated to have grown by less than

3 per cent in real terms during 1994, owing mainly to a loss in employment opportunities for Palestinian workers in Israel. In addition, owing to a further heavy loss in 1995, remittances earned outside the West Bank and Gaza Strip are estimated to have declined further, resulting in a fall of the order of 3 per cent of the GNP in real terms for that year. With a population growth rate of about 4 per cent per annum (excluding immigration), the West Bank and Gaza Strip per capita GNP would have declined in 1995 by nearly 7 per cent.

162. At the end of 1995, the Palestinian Authority, with the assistance of IMF, projected that during 1996, real GDP growth would increase by approximately 5 per cent and that the GNP would grow by 6.2 per cent. As a result of the extended closure that began in February 1996, the Palestinian Authority and IMF have revised these projections. Depending on the rate at which trade flows return to pre-closure levels and the possibility of labourers returning to their work in Israel, revised projections predict a loss of up to $800 million in GNP over the course of 1996.

163. Years of conflict and instability have created an inhibitive investment environment in the West Bank and Gaza Strip. Since the 1970s, private sector investment has been constrained, partially as a result of prolonged security-related closures. Over recent years, 85 per cent of investment has gone into construction, primarily housing, one of the few secure areas of investment open to local investors. According to the World Bank, over 20 per cent of GDP has been invested in the housing sector, with less than 4 per cent invested in productive assets.

2. Assistance provided

164. UNDP has supported initiatives in the fields of management assistance, technical training, improved marketing facilities and credit and capital assistance. Several technical and capital assistance projects have been implemented in support of private sector initiatives, in particular through cooperatives (in the areas of citrus processing, vegetable packaging and fisheries). Modest assistance to business development occurred through the provision of advisory services, training and the strengthening of vocational training centres in both the West Bank and Gaza Strip. UNDP has also financed industrial sub-sector reviews and analyses through a non-governmental organization in Gaza.

165. During the second half of 1995, UNDP supported programme formulations in agricultural and tourism development in conjunction with FAO and the World Tourism Organization (WTO), respectively. UNDP also prepared a proposal for the provision of technical support for the planning of the proposed Nablus municipal industrial estate. Technical assistance programmes addressing priority needs, jointly identified with the Palestinian Authority, were also launched in 1996. These programmes are intended to support the establishment of legal and institutional frameworks conducive to the development of the private sector and investment in agriculture and tourism.

166. UNRWA established its ongoing income generation programme in the Gaza Strip and the West Bank in 1991, in the form of three revolving loan funds, to assist

small businesses in both the formal and informal sectors of the economy. The aim of the programme is to stimulate employment opportunities by promoting the creation and expansion of businesses, primarily in the manufacturing and other productive sectors of the economy. The programme, which also provides management support and training for entrepreneurs, has been successful so far in maintaining a high repayment rate. Since 1991, a total of $7.76 million has been disbursed to 1,993 businesses. The recent prolonged closure has led to an increase in demand for working capital loans but a decrease in demand for capital investment loans.

167. Within the framework of a programme of action formulated through its 1993 multidisciplinary mission, ILO initiated a project to strengthen the capacity of private contractors to carry out their business more efficiently. This project was formulated in consultation with the relevant Palestinian authorities and institutions and is scheduled to be launched in 1996. ILO has also developed a project to assist the Chambers of Commerce, Industry and Agriculture in enhancing their services to small enterprises. Technical advisory services were also provided by ILO to formulate a project for establishing a national small business council. Other activities undertaken by ILO include assistance in developing a labour code, a project designed to build the capacity of the Palestinian Federation of Chambers of Commerce, Industry and Agriculture and a programme for strengthening workers' organizations. ILO also fielded technical advisory missions in vocational training, which led to the formulation of a project proposal to upgrade facilities and staff, as well as modernize programmes at vocational training centres.

168. UNCTAD has carried out a number of studies on issues facing the Palestinian economy. Within the framework of its programme of technical cooperation activities in support of Palestinian trade, finance and related services, and in response to the request of the Palestinian Authority for urgent technical assistance, a number of technical cooperation activities were carried out during 1995 and the first quarter of 1996. UNCTAD has developed proposals for follow-up action in the areas of procurement of strategic consumer commodities and trade efficiency and facilitation, and for the encouragement of private investment law and the establishment and operation of export processing zones. A programme of follow-up activities is also being prepared for the reorientation of the insurance sector.

169. In the period 1993-1994, ITC carried out a number of programming missions, with the aim of assessing potential and needs in the foreign trade sector and formulating appropriate technical cooperation projects. Based on the findings and recommendations of these missions, ITC developed an integrated project aimed at assisting the Palestinian export community by strengthening the Palestinian Trade Promotion Organization. ITC also carried out a feasibility study for the development of exports of selected high-value, fresh-cut flowers. Based on that study, a technical cooperation project aimed at assisting agricultural cooperatives, growers and marketing enterprises, has been developed. ITC has also prepared a proposal for assisting in the establishment of industrial zones in the West Bank and Gaza Strip.

170. UNIDO has had a long involvement in assisting industrial development in the West Bank and Gaza Strip. UNIDO has developed its programming strategy for

services to the Palestinian people which calls for the provision of technical assistance in the areas of private sector development for industry, human resources development, small- and medium-sized enterprises and advanced technologies. Within this framework, in 1995, UNIDO implemented training activities and formulation missions aimed at developing full-fledged programmes in priority areas.

171. FAO and ESCWA undertook several joint agricultural sector studies in 1993 and 1994. For 1996, FAO has formulated projects for capacity-building in agricultural policy analysis and planning, and agro-processing. ESCWA has also addressed the need to develop entrepreneurship through the training of trainers and potential entrepreneurs. In 1995, ESCWA developed further proposals for the establishment of pilot business and technology incubation centres in the West Bank and Gaza Strip.

3. Main development needs

172. In its overall development strategy, the Palestinian Authority has identified the private sector as the principal engine for growth, development and employment generation. The Palestinian Authority's strategy for private sector development has three broad thrusts: the creation of an enabling environment and basic infrastructure for industry, agriculture and tourism; promotion of medium-term lending, particularly for small business and for farming activities; and promotion of private sector participation in infrastructure development.

173. The strategy for the development of the industrial sector calls for a distinction to be made between the needs of large- and medium-scale enterprises, which are primarily export-oriented, and the needs of small-scale and micro-enterprises, which account for over 90 per cent of industrial employment in the West Bank and Gaza Strip. For large- and medium-scale enterprises, the strategy emphasizes the establishment of industrial estates, an investment promotion programme, facilities for political risk insurance, an export development programme, and clarification and modernization of the legal and regulatory framework. For small-scale and micro-enterprises, the strategy calls for the development of municipal industrial complexes, incubator and business support services, and the promotion of leasing, venture capital and small credit schemes.

174. The revival of the agricultural sector also features prominently in the Palestinian Authority's strategy for private sector development. The major features of the strategy are to support private sector farming activities through improved legal, regulatory and institutional frameworks, to enhance the efficiency of traditional and domestic market-oriented agriculture, to enhance the efficiency and competitiveness of intensive and export-oriented agriculture and to improve access to regional and international markets.

175. Tourism development can also contribute to private sector development. The West Bank and Gaza Strip, endowed with unique cultural and historical assets, have the potential to become major tourist destinations. The Palestinian Authority's strategy is to promote and market the area as a tourism destination

and to integrate the area into global marketing systems; to assist in the development of tourism and related industries; and to improve training and human resources development.

176. However, there still exist constraints to the development of the private sector in the West Bank and the Gaza Strip that constitute obstacles to the implementation of the Palestinian Authority's strategy. These include the volatile security environment; the lack of clear and predictable legal, regulatory and administrative frameworks; and, most importantly, the frequent closure of the West Bank and Gaza Strip, severely affecting access to supplies, capital and the labour market in Israel and preventing the transfer of Palestinian produce, products and services.

4. Integrated United Nations approach

177. United Nations initiatives have been developed in light of the Palestinian Authority's strategies and priorities, and implementing agencies will act in partnership with specialized institutions. United Nations assistance to private sector development will complement World Bank efforts, the main aim of which is the establishment of legal and regulatory frameworks for private sector development and, the development of border and local industrial estates. The United Nations will implement this strategy primarily through the provision of specialized advisory services, technical assistance and training to private, public and semi-public entities. Special attention will be given to the environmental soundness of the proposed development models; the creation of local capacities at the public and private sector levels which can, in the future, sustain development efforts and momentum; the utilization, whenever available, of local Palestinian capacities; and the incorporation of women and marginalized groups in mainstream economic development.

178. Human resources development should be strengthened to support emerging industries in the West Bank and Gaza Strip to respond effectively to the challenges of industrial development. The United Nations can assist in the formulation of policies and strategies for human resources development, based on an analysis of existing capacities and requirements, and assist institutions in providing technical, managerial and entrepreneurial training. UNIDO will develop a series of projects aimed at establishing and strengthening those institutions which specialize in industrial and vocational training.

179. The development of the labour market in the West Bank and Gaza Strip is being addressed through ongoing ILO projects aimed at improving the institutional capacity of the Ministry of Labour. ILO has already carried out some training activities and assisted the vocational training system, and its assistance will be further strengthened to support the authorities to respond better to labour market needs. Work on the preparation of labour statistics is already under way, and ILO will be formulating further interventions to develop reliable labour statistics to help monitor employment programmes and policies undertaken through the Palestinian employment programme. Utilizing its unique tripartite mandate, ILO will assist Palestinian institutions to set-up effective structures and mechanisms to facilitate social dialogue, and design and implement projects aimed at assisting both employers and trade unions. ILO will

also continue to assist the Ministry of Labour in establishing a labour code for the proper functioning of the private sector.

180. ITC interventions in the foreign trade sector will include advice to the Palestinian Authority on appropriate strategies and the establishment of an institutional infrastructure for trade development and promotion. ITC will also provide technical assistance in the field of private sector investment, and UNDP will support the Palestinian Authority in establishing a legal and regulatory framework conducive to such investment, particularly foreign direct investment. UNIDO will provide training in the area of investment promotion and will assist Palestinian entrepreneurs in identifying foreign investors for joint venture projects.

181. On the basis of two studies on the development and expansion of the Palestinian economy, UNCTAD will expand its current programme of technical cooperation. In addition, UNCTAD will endeavour to strengthen the legal and institutional frameworks of the private sector.

182. Entrepreneurship and small business development is an important area for private sector development and employment generation. The United Nations system will continue to implement a plan of action to develop a conducive environment for entrepreneurship and self employment. ESCWA has formulated project proposals for the establishment of business and technology incubators to nurture new manufacturing start-ups, an area which UNDP is also ready to support. UNIDO and ILO are proposing to strengthen the capacities of the Chambers of Commerce and Industry. UNIDO is also proposing to provide support for the development of small- and medium-scale industrial enterprises. ILO will launch a project aimed at revitalizing the small business sector and is also proposing to provide support for the establishment of a Palestinian small business council. UNRWA intends to expand its training programmes to support potential entrepreneurs, particularly women's and social groups affected by unemployment. UNESCO will further develop its programme for the promotion of handicrafts, the main beneficiaries of which are women. UNV will provide short-term advisory services through UNITAR to assist private enterprises in the areas of management, strategic planning, etc. UNIFEM is planning to carry out exploratory activities for the development of a programme for the economic empowerment of women, while the Department for Development Support and Management Services is preparing to assist small business promotion.

183. UNIDO is proposing interventions aimed at facilitating access by enterprises to industrial support services, including support for the establishment of a Palestinian standards organization and support for the Palestinian Central Bureau of Statistics in the preparation of an industrial census. UNDP intends to expand its participation in the development of industrial zones in close cooperation with the World Bank and utilizing the specialized services of UNCTAD. In this context, UNDP will finance feasibility studies to identify off-site infrastructural requirements and may undertake the required infrastructural construction.

184. The development of tourism is potentially a major area of private sector growth. UNDP will, in complementarity with UNESCO activities in this sector, call upon the technical expertise of WTO to strengthen tourism institutions, in

particular the Ministry of Tourism and Antiquities. The proposed focus will be the establishment of a legal, institutional and financial environment conducive to private sector investment in the tourism sector, and the promotion of Palestinian cultural heritage. UNV will provide technical assistance to the Ministry of Tourism and Antiquities through the provision of specialists.

185. Concerning agriculture, United Nations assistance will follow a multi-track approach aimed at strengthening the institutional capacity of the Palestinian Authority for agricultural development; supporting sustainable natural resources management policies and practices; revitalizing support services to agricultural entrepreneurs; developing the sector's human resources and encouraging the competitiveness of agricultural products; and supporting the rehabilitation of essential rural physical infrastructures.

186. On the basis of an initial phase launched in 1996, UNDP, utilizing the technical expertise of FAO, is proposing to expand its support to the Ministry of Agriculture through a project aimed at enhancing the institutional, managerial and technical capabilities of the Ministry in the area of policy analysis and planning. In order to enhance agricultural production through the spread of technologies, genotypes and information to farmers, UNDP is formulating a project aimed at supporting the Palestinian Authority in defining and implementing appropriate and responsive policies and strategies for applied research and demand-driven extension. Several studies carried out by FAO in recent years have targeted rehabilitation needs in the fisheries sector and veterinary services, as well as the rehabilitation of artesian wells, springs and related irrigation canals. In order to ensure that Palestinian agricultural products conform to international standards, UNDP has formulated an action programme for the testing and control of agricultural produce for pesticide residues.